

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-03 INR-07  
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 /053 W  
-----061315Z 082949 /44

R 061121Z APR 77  
FM AMEMBASSY RABAT  
TO SECSTATE WASHDC 1488  
INFO USDOC WASHDC  
AMCONSUL CASABLANCA

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DEPARTMENT PLEASE PASS EXIMBANK

E.O. 11652: N/A  
TAGS: EFIN MO  
SUBJECT: STATUS OF NADOR STEEL COMPLEX

REF: (A) STATE 071845, (B) FIEDLER/TIMMINS/SALOOM MEMCON OF  
11/17/76

1. MORGAN IS ONLY US FIRM PREQUALIFIED FOR BAR MILL AND  
ONE OF TWO US FIRMS PREQUALIFIED FOR WIRE MILL.

2. CAPITAL COSTS: NADOR STEEL MILL PROJECT IS LARGEST  
INDUSTRIAL PROJECT LIKELY TO BE UNDERTAKEN IN MOROCCO  
FOR AT LEAST NEXT FIVE YEARS. ESTIMATES OF CAPITAL  
COSTS VARY FROM GOM'S PRELIMINARY \$1.2 BILLION TO  
\$2.0 BILLION RECENTLY MENTIONED IN CONVERSATION WITH AN  
IBRD OFFICIAL. WE TEND TO BELIEVE REAL COSTS WILL END  
UP CLOSER TO HIGHER THAN LOWER ESTIMATE.

3. TIMETABLE: ORIGINAL TIMETABLE CALLED FOR  
PRESELECTION OF FIRMS FOR GROUP A (BLAST FURNACE, BAR  
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ROLLING MILL, ROD ROLLING MILL, OXYGEN FURNACE AND  
CONTINUOUS CASTING PLANT) BY SEPTEMBER 1, 1976. THIS  
DEADLINE SLIPPED TO JANUARY 1977 WITH CORRESPONDING  
DELAYS IN PRESELECTION FOR REMAINING GROUPS B AND C.  
FIRMS WERE INFORMED OF PRESELECTION FOR THE FIRST PARTS  
OF GROUP B ON ABOUT FEBRUARY 20, 1977 AND TO THE BEST  
OF OUR KNOWLEDGE NOTIFICATION FOR REMAINING PARTS OF

THIS GROUP IS NOT YET COMPLETED. WE ARE NOT AWARE OF ANY PRESELECTION ANNOUNCEMENTS FOR GROUP C. ASSUMING THREE TO FOUR MONTHS ARE ALLOWED FOR BID PREPARATION AND ANOTHER TWO TO THREE MONTHS ARE NEEDED FOR NEGOTIATIONS, WE COULD HAVE SOME IDEA OF THE WINNERS OF THE CONTRACTS FOR GROUP A BY LATE SUMMER. ASSUMING THAT ORIGINAL TARGET DATE FOR OPERATION OF MID-1980 WAS REALISTIC AND TECHNICALLY RELIABLE AND THAT NO MORE SERIOUS DELAYS OCCUR, THE COMPLEX SHOULD BE OPERATIONAL BY SOME TIME IN 1981.

4. FINANCING: PROJECT IS TO BE FINANCED WITH A COMBINATION OF SONASID'S OWN CAPITAL, SUPPLIER CREDITS, AND FUNDS FROM INTERNATIONAL FINANCIAL INSTITUTIONS. AGREEMENTS HAVE ALREADY BEEN ANNOUNCED BETWEEN SONASID AND THE EXIM COUNTERPARTS OF WEST GERMANY, JAPAN, FRANCE, THE UNITED KINGDOM AND SPAIN. THESE AGREEMENTS GENERALLY ESTABLISH A LINE OF CREDIT FOR SONASID FOR MACHINERY AND EQUIPMENT WHICH MAY BE ACQUIRED IN THE RESPECTIVE COUNTRIES. THE IBRD IS CONSIDERING THE PROJECT, THOUGH WE HAVE NO DEFINITE WORD HERE WHETHER OR NOT THEY WILL PARTICIPATE. IT APPEARS THAT MANY OTHER BACKERS HAVE PREDICATED THEIR PARTICIPATION ON THE IBRD'S, MAKING LATTER'S DECISION A CRUCIAL ONE FOR THE PROJECT.

5. SUGGEST EXIM CONTACT USDOC/CAGNE AND IBRD FOR FURTHER INFORMATION.  
MOFFAT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, REPORTS, STEEL PLANTS, DEVELOPMENT LOANS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 06-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977RABAT01834  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770120-0011  
**Format:** TEL  
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**Line Count:** 88  
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**Message ID:** 4b1654a9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 71845  
**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2881248  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STATUS OF NADOR STEEL COMPLEX  
**TAGS:** EFIN, MO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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